

Goodwin Refractory Services Holdings Limited

**Directors' report and financial
statements**

Registered number 04666689
For the year ended 30 April 2012



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Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 April 2012

Principal activity

The principal activity of the Company during the year was that of a holding Company. The principal activity of the Company's investee undertakings is that of manufacturers and merchants of refractory products.

Business review

The results for the year are summarised as follows

	2012 £	2011 £
Profit on ordinary activities before taxation	319,361	247,145
Tax on profit on ordinary activities	(27,756)	(24,712)
Profit on ordinary activities after taxation	<u>291,605</u>	<u>222,433</u>

Proposed dividend

During the year the directors paid an interim dividend of £248,000 (2011 £210,000). The directors do not recommend the payment of a final dividend (2011 £Nil).

Directors

The directors serving during the year are set out below

JW Goodwin (Chairman)
 RS Goodwin (Managing Director)
 HV Davis (resigned 30 June 2011)
 SR Goodwin

Employee consultation

The Company takes seriously its responsibilities to employees and, as a policy, provides employees systematically with information on matters of concern to them. It is also the policy of the Company to consult where appropriate, on an annual basis, employees or their representatives so that their views may be taken into account in making decisions likely to affect their interests.

Employment of disabled persons

The policy of the Company is to offer the same opportunity to disabled people, and those who become disabled, as to all others in respect of recruitment and career advancement, provided their disability does not prevent them from carrying out the duties required of them.

Political and charitable contributions

The Company did not make any political or charitable donations and did not incur any political expenditure during the year (2011 £Nil).

Disclosure of information to auditor

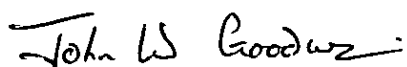
The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Directors' report *(continued)*

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be re-appointed and KPMG Audit Plc will, therefore, continue in office

Approved by the board of directors and signed on its behalf by



JW Goodwin
Chairman

Ivy House Foundry
Hanley
Stoke-on-Trent
ST1 3NR

4 December 2012

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.



KPMG Audit Plc

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Snow Hill Queensway
Birmingham
B4 6GH
United Kingdom

Independent auditor's report to the members of Goodwin Refractory Services Holdings Limited

We have audited the financial statements of Goodwin Refractory Services Holdings Limited for the year ended 30 April 2012 set out on pages 6 to 11. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 30 April 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of Goodwin Refractory Services Holdings Limited *(continued)*

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Tim Widdas (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants

4 December 2012

Profit and loss account
for the year ended 30 April 2012

	<i>Note</i>	2012 £	2011 £
Administrative expenses		(57)	(15)
Operating loss		(57)	(15)
Income from shares in group undertakings		319,418	247,160
Profit on ordinary activities before taxation		319,361	247,145
Tax on profit on ordinary activities	3	(27,756)	(24,712)
Profit on ordinary activities after taxation for the financial year		291,605	222,433

All turnover and profit on ordinary activities before taxation arises from continuing operations

The Company has no recognised gains or losses in either the current year or preceding period other than the profit for the period

Balance sheet
at 30 April 2012

	<i>Note</i>	2012 £	£	2011 £	£
Fixed assets					
Investments	4		1,540,161		1,540,161
Current assets					
Debtors	5	516,708		459,708	
Cash at bank and in hand		2,686		16,081	
Net current assets			<u>519,394</u>		<u>475,789</u>
Net assets			<u>2,059,555</u>		<u>2,015,950</u>
Capital and reserves					
Called up share capital	6		5,950		5,950
Profit and loss account	7		2,053,605		2,010,000
Shareholder's funds	8		<u>2,059,555</u>		<u>2,015,950</u>

A reconciliation of movements in shareholder's funds is given in note 8 to the financial statements

These financial statements were approved by the board of directors on 4 December 2012 and signed on its behalf by



JW Goodwin
Chairman



RS Goodwin
Director

Company registered number 04666689

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

Basis of accounting

The financial statements have been prepared under the historical cost accounting rules and in accordance with applicable Accounting Standards

The Company is a wholly-owned subsidiary undertaking of Goodwin PLC and the results of the Company and its subsidiary undertakings are included in the consolidated financial statements of that Company. Therefore, the Company is exempt from the requirement to prepare consolidated financial statements

Cash flow statement

Under Financial Reporting Standard 1, the Company is exempt from the requirements to prepare a cash flow statement as it is a wholly owned subsidiary of a parent undertaking which has produced a Group cash flow statement in accordance with the provisions of the standard

Foreign exchange

Transactions denominated in foreign currencies are translated into sterling and recorded at the rates of exchange ruling at the dates of the transactions. Balances denominated in foreign currencies are translated into sterling at the exchange rates ruling on the balance sheet date

Taxation

The charge for taxation is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Except where otherwise required by accounting standards, full provision without discounting is made for all timing differences which have arisen but not reversed at the balance sheet date

Classification of financial instruments issued by the Company

Following the adoption of FRS 25, financial instruments issued by the Company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions

- (a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company, and
- (b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares

Notes (continued)

1 Accounting policies (continued)

Investments

Investments held in fixed assets are stated at cost less provision for impairment

Income from shares in group undertakings is accounted for on a receivable basis

Amounts owed in respect of audit services

Amounts receivable by the Company's auditor in respect of the services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's parent. The audit fee for these financial statements is borne by the Company's parent.

2 Staff numbers and costs

The Company has no employees

No director received any emoluments during the year in respect of their services to the Company (2011 £Nil)

3 Tax on profit on ordinary activities

Analysis of charge in year

	2012 £	2011 £
<i>UK corporation tax</i>		
Current tax on income for the period	27,756	24,712
	<hr/>	<hr/>
Total current tax	27,756	24,712
	<hr/>	<hr/>

Factors affecting the tax charge for the current year

The current tax charge for the year is lower (2011 lower) than the standard rate of corporation tax in the UK at 25.84% (calculated on a weighted average of the standard rate of UK corporation tax applicable throughout the period) (2011 27.81%). The differences are explained below.

	2012 £	2011 £
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	319,361	247,145
	<hr/>	<hr/>
Current tax at 25.84% (2011 27.81%)	82,523	68,731
	<hr/>	<hr/>
<i>Effects of</i>		
Income from shares in group undertakings	(54,767)	(44,019)
	<hr/>	<hr/>
Total current tax charge (see above)	27,756	24,712
	<hr/>	<hr/>

Notes (continued)

3 Tax on profit on ordinary activities (continued)

Factors that may affect future current and total tax charges

The 2012 Budget on 21 March 2012 announced that the UK corporation tax rate will reduce to 22% by 2014. A reduction in the rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and further reductions to 24% (effective from 1 April 2012) and 23% (effective from 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively.

This will reduce the Company's future current tax charge accordingly.

It has not yet been possible to quantify the full anticipated effect of the announced further 1% rate reduction, although this will further reduce the Company's future current tax charge accordingly.

4 Investments

	Shares in group undertakings £
<i>Cost</i>	
At beginning and end of year	1,540,161
<i>Net book value</i>	
At 30 April 2012 and 30 April 2011	1,540,161

The Company has the following investments

	Country of incorporation	Principal activity	Class and percentage
Goodwin Refractory Services Limited	Great Britain	Manufacture of refractory products	Ordinary shares 100%
Ying Tai (UK) Limited	Great Britain	Holding Company	Ordinary shares 51%
Jewelry Plaster Company Limited	Thailand	Manufacture of refractory products	Ordinary shares 49%

5 Debtors

	2012 £	2011 £
Amounts owed by group undertakings	516,708	459,708

All amounts shown under debtors fall due for payment within one year.

6 Called up share capital

	2012 £	2011 £
<i>Allotted, called up and fully paid.</i>		
5,950 ordinary shares of £1 each	5,950	5,950

Notes (continued)

7 Reserves

	Profit and loss account £
At beginning of year	2,010,000
Profit for the financial year	291,605
Dividends	(248,000)
	<hr/>
At end of year	2,053,605
	<hr/>

8 Reconciliation of movements in shareholder's funds

	2012 £	2011 £
Profit for the financial year	291,605	222,433
Dividends	(248,000)	(210,000)
	<hr/>	<hr/>
Net addition to shareholder's funds	43,605	12,433
Opening shareholder's funds	2,015,950	2,003,517
	<hr/>	<hr/>
Closing shareholder's funds	2,059,555	2,015,950
	<hr/>	<hr/>

9 Related party

By virtue of being a wholly owned subsidiary included in the consolidated financial statements of a larger EU group, the Company is exempt from disclosing transactions or balances with other entities of the Group qualifying as a related party

10 Holding Company

Goodwin PLC, a Company incorporated in Great Britain, is the ultimate holding Company

Copies of the Group financial statements are available from the Registrar of Companies, Companies House, Crown Way, Mandy, Cardiff, CF14 3UZ